

**CITY OF ARLINGTON, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2002**

The discussion and analysis of the City of Arlington's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2002. It should be read in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. All amounts in this discussion, unless otherwise indicated, are expressed in millions of dollars. This discussion and analysis does not include comparative data for prior years, as this information is not available for the first year of implementation of Governmental Accounting Standards Board (GASB) Statement Number 34. Future years will include, when available, comparative analysis of government-wide data.

**FINANCIAL HIGHLIGHTS**

- The assets of the City of Arlington exceeded its liabilities at the close of the fiscal year ending September 30, 2002 by \$763.3 million (net assets). Of this amount, \$100.9 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Arlington's total net assets increased by \$25.0 million for the year ended September 30, 2002. The increase in net assets can be attributed to increases in ad valorem tax revenue, and court fines and forfeitures revenue.
- As of September 30, 2002, the City of Arlington's governmental funds reported combined ending fund balances of \$89.2 million, a decrease of \$6.2 million in comparison with the prior fiscal year.
- While the total General Fund balance declined \$1.0 million for the fiscal year ended September 30, 2002, the Fund Balance designated for Working Capital Reserve increased \$0.8 million during the same period.
- The City's total debt increased by \$0.7 million during the current fiscal year. The City issued \$23.8 million in Permanent Improvement Bonds, \$1.1 million in Combination Tax and Revenue Certificates of Obligation, and \$15.0 million in Waterworks and Sewer System Revenue Bonds.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis serves as an introduction to the City of Arlington's basic financial statements. The City of Arlington's basic financial statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Arlington's finances, in a manner similar to a private-sector business. The Statement of Net Assets presents information on all of the City of Arlington's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Arlington is improving or deteriorating. The Statement of Net Assets combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer

**CITY OF ARLINGTON, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
SEPTEMBER 30, 2002**

lines, etc.), to assess the overall health or financial condition of the City. The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave). Both the Statement of Net Assets and the Statement of Activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Assets and the Statement of Activities, the City is divided into three kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, including the police, fire, libraries, planning and development, transportation, parks and recreation, and general administration. Property taxes, sales taxes and franchise fees finance most of these activities.
- **Business-type Activities** - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system and sanitary landfill system are reported here.
- **Component Units** – The City includes five separate legal entities in its report – Arlington Sports Facilities Development Authority, Inc., Arlington Housing Authority, Arlington Convention and Visitors Bureau, Arlington Housing Finance Corporation and Arlington Industrial Corporation. Although legally separate, these component units are important because the City is financially accountable for them.

### **Reporting the City's Most Significant Funds**

#### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The City's two kinds of funds - governmental and proprietary – utilize different accounting approaches.

- **Governmental funds** – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The City of Arlington maintains twenty-three individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the

**CITY OF ARLINGTON, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
SEPTEMBER 30, 2002**

General Fund, Debt Service Fund and the Street Capital Projects Fund, all of which are considered to be major funds. Data from the other twenty governmental funds are combined into a single, aggregated nonmajor fund presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

- Proprietary funds – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities, such as the City's general services, the City's self insurance funds and fleet maintenance functions. Because these services benefit both governmental as well as business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The City of Arlington maintains two individual enterprise funds. The City uses enterprise funds to account for its water and sewer and sanitary landfill. The funds provide the same type of information as the government-wide financial statements, only in more detail and include some of the internal service fund type activity. The proprietary fund financial statements provide separate information for the water and sewer and sanitary landfill, both of which are considered to be major funds of the City.

### **The City as Trustee**

#### **Reporting the City's Fiduciary Responsibilities**

The City is the trustee, or fiduciary, for its Part-Time Deferred Income Trust, Thrift Savings Plan and Disability Income Plan, as well as certain amounts held on behalf of developers, property owners and others. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. The activities of these funds are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to the employees and budgetary comparative information for the general fund.

#### **THE CITY AS A WHOLE – Government-wide Financial Analysis**

The City's combined net assets were \$763 million as of September 30, 2002. Analyzing the net assets and net expenses of governmental and business-type activities separately, the business-type activities net assets are \$375 million. This analysis focuses on the net assets (table 1) and

**CITY OF ARLINGTON, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
SEPTEMBER 30, 2002**

changes in general revenues (table 2) and significant expenses of the City's governmental and business-type activities.

By far the largest portion of the City's net assets (86.5 percent) reflects its investment in capital assets (e.g., land buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Table 1  
Summary of Net Assets  
At September 30, 2002  
(Amounts Expressed in Millions)**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total Primary Government</b>
Current and other assets	\$ 125	\$ 108	\$ 233
Capital assets	613	387	1,000
Total assets	738	495	1,233
Long-term liabilities outstanding	296	98	394
Other liabilities	54	22	76
Total liabilities	350	120	470
Net assets:			
Invested in capital assets, net of related debt	357	308	665
Restricted	2		2
Unrestricted	29	67	96
Total net assets	\$ 388	\$ 375	\$ 763

**Governmental Activities**

The City's general revenues decreased when compared to the prior year by 0.8 percent or \$1.3 million. The primary reason for this decrease was due to a \$3.1 million decrease in interest income as a result of lower interest rates on investments. Utility franchise fees also decreased \$1.5 million primarily because of lower revenue from TU for electric and gas. Overall tax revenue increased \$3.4 million. Property tax revenue increased due to increased property valuations and the addition of new property throughout the City. The assessed value of the property in the City increased by \$1.1 billion or 8.7 percent as compared to the prior year while the City property tax rate of \$0.634 per \$100 assessed valuation remained unchanged. The increase in property tax revenue offset the decrease in sales tax revenue. Sales tax revenue declined \$3.3 million or 7.8 percent over the previous year due to local and national economic declines.

**CITY OF ARLINGTON, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
SEPTEMBER 30, 2002**

**Table 2  
General Revenues  
(Amounts Expressed In Thousands)**

	<b>2002</b>	<b>2001</b>	<b>Increase (Decrease)</b>
Taxes	\$ 134,489	\$ 131,126	\$ 3,363
Utility franchise fees	29,667	31,201	(1,534)
Interest Income	3,888	6,058	(2,170)
Total general revenues	<u>\$ 168,044</u>	<u>\$ 168,385</u>	<u>\$ ( 341)</u>

Governmental and Business-type activities increased the City's net assets by \$25.0 million. The key elements of this increase are as follows:

**Table 3  
Changes in Net Assets  
(Amounts Expressed in Thousands)**

	<b>Governmental Activities 2002</b>	<b>Business- type Activities 2002</b>	<b>Total 2002</b>
<b>Revenues:</b>			
Program Revenues:			
Charges for services	\$ 39,480	\$ 88,644	\$ 128,124
Operating grants and contributions	9,430	-	9,430
Capital grants and contributions	12,509	6,636	19,145
General revenues:			
Taxes	134,489	-	134,489
Utility franchise fees	29,667	-	29,667
Other	7,093	2,143	9,236
<b>Total Revenues</b>	<u>232,668</u>	<u>97,423</u>	<u>330,091</u>
<b>Expenses:</b>			
General government	34,330	-	34,330
Public safety	90,417	-	90,417
Public works	55,327	-	55,327
Public health	2,100	-	2,100
Parks and recreation	20,669	-	20,669
Public welfare	5,288	-	5,288
Convention and event services	5,426	-	5,426
Interest and fiscal charges	15,674	-	15,674
Water and sewer	-	68,106	68,106
Landfill	-	7,743	7,743
<b>Total expenses</b>	<u>229,231</u>	<u>75,849</u>	<u>305,080</u>
<b>Increase in net assets before transfers</b>	<u>3,437</u>	<u>21,574</u>	<u>25,011</u>
Transfers	4,705	(4,705)	-
<b>Increase in net assets</b>	<u>8,142</u>	<u>16,869</u>	<u>25,011</u>
<b>Net Assets, October 1</b>	<u>380,069</u>	<u>358,201</u>	<u>738,270</u>
<b>Net Assets, September 30</b>	<u>\$ 388,211</u>	<u>\$ 375,070</u>	<u>\$ 763,281</u>

**CITY OF ARLINGTON, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
SEPTEMBER 30, 2002**

The most significant governmental expense for the City was in providing for public safety, which incurred expenses of \$90.4 million. These expenses were offset by revenues collected from a variety of sources, with the largest being from fines and forfeitures, which are \$6.8 million for the fiscal year ending September 30, 2002. The major components of public safety are police and fire. Police accounted for \$55.3 million in public safety expense of which \$47 million was incurred for salary and benefits. Fire accounted for \$29.7 million in public safety expense, of which \$25.1 was incurred for salary and benefits. Other significant governmental expenses for the City include public works at \$55.3 million of which \$17.2 million represented salary and benefits and \$29 million represented depreciation.

**Business-type Activities**

Revenues of the City's business-type activities were \$97.4 million for the fiscal year ending September 30, 2002. Expenses for the City's business-type activities were \$75.8 million for the year, resulting in net revenues of \$21.6 million. The net revenues are the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of \$80.7 million and a non-cash revenue source of \$6.6 million of capital contributions that represent developer contributions. Developer contributions represent subdivision infrastructure, which upon completion, is contributed to the resources of the City. Excluding developer contributions of \$6.6 million, the water and sewer system charges for services of \$80.7 million exceeded expenses of \$68.1 million by \$12.6 million. The most significant expenses of the water and sewer fund were \$13 million to purchase water, \$16.1 million for the purchase of sewage treatment and \$12.4 million in salaries and benefits.
- The City landfill activity recorded charges for services of \$7.8 million and expenses of \$7.6 million resulting in net revenue of \$0.2 million. The most significant components of landfill expense were salary and benefits of \$1.3 million and closure/post closure costs of \$1.8 million. Closure/post closure costs are costs that are incurred to provide for the protection of the environment after the landfill stops accepting waste. The City recognizes a portion of these costs each year over the useful life of the landfill.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the fiscal year 2002, the City had \$1.0 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines. (See Table 4 below.) This amount represents a net increase (including additions and deductions) of \$34.3 million or 4 percent over the prior fiscal year.

**CITY OF ARLINGTON, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
SEPTEMBER 30, 2002**

**Table 4  
Capital Assets and Year-end  
(Net of Depreciation In Thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Land	\$ 68,373	\$ 63,120	\$ 9,446	\$ 9,446	\$ 77,819	\$ 72,566
Buildings and improvements	99,970	91,488	4,718	2,898	104,688	94,386
Equipment	15,000	16,521	1,216	1,485	16,216	18,006
Construction in progress	110,408	105,402	61,456	78,456	171,864	183,858
Infrastructure	319,593	320,481	-	-	319,593	320,481
Water and sewer system	-	-	310,036	276,570	310,036	276,570
Totals	<u>\$ 613,344</u>	<u>\$ 597,012</u>	<u>\$ 386,872</u>	<u>\$ 368,855</u>	<u>\$ 1,000,216</u>	<u>\$ 965,867</u>

This year's major additions included (in millions)

Replacement of street pavement	\$ 2.3
Airport runway expansion	3.3
Drainage improvements	2.9
Randol Mill pool renovations	3.0
Arlington Tennis Center court resurfacing	1.0
Street widening of Silo Road from Lynn Creek to Mansfield Webb	3.3
Street widening of Cooper Street for IH30 to Cedar	1.3
Street widening of Sublett from Tennessee Trail to New York	3.3
Street widening of Sublett from US 287 to PolyWeb Road	1.9
Street widening of Matlock fro Lynn Creek to Harris	3.3
Water billing system	2.3
Water treatment expansion	3.1
Total	<u>\$ 31.0</u>

The City's fiscal year preliminary 2003 capital budget calls for it to spend \$27 million for capital projects, principally in four major categories: street improvements, libraries, parks and recreation, and transportation. The estimated expenditures for street improvements are \$14.6 million and include \$4.4 million for Pleasant Ridge Road, \$2.0 million for Green Oaks Blvd., \$1.2 million for Kelly Elliott and \$1.0 million for Center/Mesquite. Library's estimated expenditures are \$1.3 million, including \$0.7 million for the South West Sector Branch construction and \$0.3 million for the Central Library renovation. The estimated expenditures for parks and recreation of \$3.6 million include \$0.8 million for J.W. Dunlop Park, \$0.5 million for Rush/Sublett Creek Linear Park, \$0.4 million for Harold Patterson renovation and \$0.3 million for playground renovations. Transportation's estimated expenditures of \$1.6 million include \$0.6 million of arterial streetlight construction, \$0.5 million in streetlight rehabilitation and \$0.3 million in new traffic signals. The 2003 Capital Budget is not adopted and individual projects are subject to change.

**CITY OF ARLINGTON, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
SEPTEMBER 30, 2002**

**Debt**

At year-end, the City had \$394.2 million in General Obligation Bonds and Combination Tax and Revenue Certificates of Obligations outstanding as compared to \$393.5 million at the end of the prior fiscal year, an increase of 0.2 percent as shown in table 5.

**Table 5  
Outstanding Debt  
(Amounts Expressed In Thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
General obligation bonds						
(backed by the City)	\$ 256,795	\$ 256,425	\$ -	\$ -	\$ 256,795	\$ 256,425
Combination tax and revenue						
certificates of obligation						
(backed by the City)	42,855	46,165	-	-	42,855	46,165
Revenue bonds						
(backed by fee revenues)	-	-	94,575	90,955	94,575	90,955
Totals	<u>\$ 299,650</u>	<u>\$ 302,590</u>	<u>\$ 94,575</u>	<u>\$ 90,955</u>	<u>\$ 394,225</u>	<u>\$ 393,545</u>

During the current fiscal year the City issued debt in April 2002 and again in August of 2002. The new debt resulted primarily from the issuance of general obligation bonds during the current fiscal year in the amount of \$23.8 million for a variety of new projects. Those projects included street enhancements and parks and recreation projects. Additionally, the City issued \$15 million in water and wastewater system revenue bonds.

The City has maintained its AA rating from Standard and Poor's Corporation, its AA rating from Fitch, Inc. and is Aa2 rating from Moody's Investor Services on its tax supported debt. The City also has a AA- rating from Standard and Poor's Corporation, a Aa3 rating from Moody's Investor Service and a AA+ from Fitch, Inc. on its outstanding water and wastewater revenue bonds. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of net tax-supported debt to assessed value of all taxable property is 2.2 percent.

The City maintains a self-insurance program for bodily injury, property damage, personal injury, advertising injury, regulatory injury and worker's compensation. Claims for worker's compensation over \$300,000 per occurrence are covered by a private insurance company. Claim liabilities are actuarially determined and take into consideration claim experience, adjustment expenses, economic, and other factors. Claim liability was \$8.9 million at September 30, 2002 compared to \$9.6 million at September 30, 2001.

**THE CITY'S FUNDS**

At the close of the City's fiscal year on September 30, 2002, the governmental funds of the City reported a combined fund balance of \$89.2 million. This ending balance includes a reduction in fund balance of \$1.0 million in the City's General Fund. The primary reason for the General Fund's reduction is the lower than anticipated sales tax revenues throughout the fiscal year as mentioned elsewhere within this discussion. Management implemented cost containment measures to mitigate the effect on the General Fund's ending fund balance. In addition, due to declining revenues from hotel occupancy taxes, \$0.4 million was transferred from the General



**CITY OF ARLINGTON, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
SEPTEMBER 30, 2002**

Fund to assist the Convention and Events Service Fund. In addition, these other changes in fund balances should be noted:

- The City's Debt Service fund balance of \$1.7 million was unchanged from prior year fund balance.
- The City spent \$22.3 million in capital outlay in the Street Capital Projects Fund, up \$7.8 million as compared to the same period in the prior year.
- The City's water and sewer fund net assets of \$342.5 million increased by \$18.1 million over the prior year net asset balance. The increase in net assets is primarily due to operating revenues exceeding operating expenses by \$14.8 million.
- The City's sanitary landfill fund net assets were \$33 million and decreased by \$0.8 million as compared to the prior fiscal year. This decrease was due primarily to an increase in closure/post closure costs.

**General Fund Budgetary Highlights**

During FY 2001-02, there were no budget amendments for the General Fund.

For FY 2001-02, actual expenditures on a budgetary basis were \$158.4 million compared to the budget amount of \$161.9 million. The \$3.5 million positive variance was due to savings achieved through a series of expenditure restrictions imposed by the City Manager's Office during the year, including a hiring freeze on all vacancies, the elimination of out-of-town travel, a freeze on capital expenditures, and two phases of staffing reductions.

For FY 2001-02, actual revenues on a budgetary basis were \$154.3 million as compared to the budget amount of \$158.5 million. The majority of the \$4.2 million negative variance was due to a decline in sales tax revenue and franchise fees.

The City of Arlington has an actual on a budgetary basis General Fund balance of \$20.8 million as of the fiscal year end, compared to the budgeted fund balance of \$19.6 million. The variance in fund balance is primarily due to cost containment measures implemented by management.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's elected and appointed officials considered many factors when setting the fiscal year 2003 budget, tax rates, and fees that will be charged for the business-type activities. One of these factors is the economy. The National recession has had significant impact on City revenues. For the first time in the City's history, sales tax, Arlington's second largest revenue source, has declined by several million dollars. At the same time, the City's population is growing and the demand for City services is increasing. Additionally, the total growth of commercial development has not kept pace with population growth. In addition to the problems associated with the recession, some of the City's commercial developments are aging and tenants are choosing to relocate to newer facilities in other communities. These indicators were taken into account when adopting the General Fund budget for fiscal year 2003. The total 2002-03 combined budget appropriation is \$156.0 million. This represents a slight increase of \$0.5 million or 0.3 percent over the 2001-02 budget.

The General Fund's largest single revenue source is property taxes. The property tax rate for FY 2003 is \$0.6340 per \$100 valuation. Of this tax rate, 57 percent or \$0.3620 is utilized for General Fund activities. The remaining 43 percent or \$0.2720 is used for debt service. The General Fund's portion of property tax revenue for FY 2003 is estimated to be \$51.4 million. The City's portion of the sales tax rate is 1 percent. Sales tax revenue for FY 2003 is budgeted at \$41.6 million. This is unchanged from the FY 2002.

**CITY OF ARLINGTON, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
SEPTEMBER 30, 2002**

The largest revenue source for the water and sewer fund is water sales, at \$50.6 million. The rate for FY 2003 is \$2.10 per 1,000 gallons, and incorporates the cost of raw water treatment, distribution and maintenance costs. This rate is unchanged from last year. The second largest revenue source for the water and sewer fund is sewer charges, at \$32.5 million based on a FY 2003 rate of \$2.40 per 1,000 gallons. This rate is also unchanged from the previous fiscal year.

The sanitary landfill fund's largest revenue source is the service charge paid by Arlington Disposal Company to dispose of solid waste at the City's landfill, at \$5.0 million. The rate is \$18 per ton and remains unchanged from the previous fiscal year.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at the City of Arlington, 201 E. Abram St., Suite 800, Arlington, TX 76010.